

Answer Raises Questions

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Nixon's Big Tax Writeoff

By Eileen Shanahan
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President Nixon admitted Saturday that he had paid only "nominal amounts" of federal income taxes in 1970 and 1971, but his explanation about how he managed it raised new questions about of his tax deductions.

Mr. Nixon, at his news conference at Disney World

near Orlando, Fla., said that the reason his tax payments were so small in

those years was that he had been able to take large deductions for his gift of his vice presidential papers to the National Archives.

Thomas F. Field, executive director of Tax Analysts and Advocates, a research group in the tax field, immediately commented that the tax law would have limited Mr. Nixon's deductions for the gift to 50 percent of his adjusted gross income in

those years.

Thus, Field said, if the President had income of \$200,000 from his salary as President, plus a little interest income, as he has said he had, he would still have been required to pay taxes on about \$100,000 of income if the gift of the papers was his only big deduction.

Field said that the limitation on the deduction is spelled out clearly in the Internal Revenue Code.

The tax on \$100,000, if that is how much income the President had after deductions, would be around \$45,000, instead of the \$792 that Mr. and Mrs. Nixon reportedly paid in 1970 and the \$878 reportedly paid in 1971.

Mr. Nixon was asked about those figures by the managing editor of the newspaper that published them in October, the Providence Journal-Bulletin.

He said "I do not know" whether those precise amounts are correct, because "I haven't looked at my returns." But he charac-

terized the taxes he paid in those years as "nominal."

Mr. Nixon specifically denied that he had used what he termed "gimmicks" to reduce his taxes and said specifically that he had "not had" deductions for "shall we say, a cattle ranch or interest."

It was not clear why he disavowed having large interest deductions, when the audit of his financial transactions in connection with the real estate he has bought in California and Florida showed a number of large interest payments.

The legality of the deductions for the gift of the papers, on the other hand, has been challenged on a number of grounds, including the lack of a signed deed and other documents making the transfer of the papers to the National Archives.

Mr. Nixon said that he had first learned of the tax deductions that could be taken for the gifts of the personal papers of public officials from President Johnson.

who, he indicated, urged him to make such a donation of his vice presidential papers before a new law forbidding such deductions took effect in mid-1969.

Sheldon S. Cohen, who was Mr. Johnson's commissioner of internal revenue, disputed Mr. Nixon's version of the event.

Cohen said that following a meeting between Mr. Johnson and Mr. Nixon, at which the subject of the handling of Mr. Nixon's papers had come up, Mr. Nixon had sent two of his partners from his old New York law firm to see Cohen.

They discussed the tax aspects of gifts of presidential papers, but neither Mr. Johnson nor Cohen could possibly have said anything about donating the vice presidential papers ahead of the deadline, Cohen said. The reason was that no one knew until the spring of 1969 that Congress was even thinking about changing the law relating to such gifts, he said.

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